

ICC Docket No. 14-0496
Joint Applicants' Response to
Staff Data Requests ENG 1.01-1.30
Dated: August 14, 2014

REQUEST NO. ENG 1.23:

Referring to Mr. Leverett's testimony, page 18, provide a breakdown of the proposed 1,953 FTEs for each Illinois entity (i.e. number of FTEs assigned to Peoples Gas and North Shore).

RESPONSE:

The commitment in Mr. Leverett's testimony was to locate an aggregate number of FTE positions in Illinois for two years after the closing of the Transaction. That commitment was based on the following headcount located in Illinois, but the commitment is in the aggregate, not by company.

Peoples Gas	1,294 FTEs
North Shore	166 FTEs
Integrays Business Support	493 FTEs

ICC Docket No. 14-0496
Joint Applicants' Response to
Staff Data Requests ENG 3.01-3.05
Dated: September 26, 2014

REQUEST NO. ENG 3.04:

Referring to the Joint Applicants' response to Staff data requests ENG 1.14, ENG 1.20, and ENG 1.23, please explain why the full-time-equivalent employee (FTE) positions commitment provided in Mr. Leverett's testimony, when broken down by company, shows a lower number of FTEs for Peoples and North Shore in the years 2015 then noted in the response to ENG 1.23.

RESPONSE:

The full-time-equivalent employee (FTE) positions commitment provided in the Joint Applicants' Application and in Mr. Leverett's testimony, as stated in the Joint Applicants' response to Staff data request ENG 1.23, is a commitment to locate, at a minimum, an aggregate number of FTE positions in Illinois for two years after the closing of the Transaction. The 1,953 FTEs are a "floor-level" of FTEs below which the post-merger company, WEC Energy Group, will not allow its employment levels in Illinois to fall for a period of two years after the closing of the Transaction. The aggregate floor-level level of 1,953 FTEs to be located in Illinois, and the levels of FTEs listed for Peoples Gas, North Shore, and Integrys Business Support in the Joint Applicants' response to Staff data request ENG 1.23 from which that number was derived, are based on positions in place as of December 31, 2013. The 1,953 FTEs in this commitment do not represent an intended, forecasted, or targeted level of post-merger FTEs for WEC Energy Group in Illinois, nor do the underlying FTE levels listed for Peoples Gas, North Shore, and Integrys Business Support in the Joint Applicants' response to Staff data request ENG 1.23 from which that number was derived represent the Joint Applicants' intended, forecasted, or targeted levels of post-merger FTEs for those entities. For purposes of what levels of FTEs the Joint Applicants forecast and plan for there to be in place at Peoples Gas and North Shore in the years 2015 and 2016, the Joint Applicants adopt the levels of FTEs forecasted by Peoples Gas and North Shore in their pending rate cases (Docket Nos. 14-0224/14-0225 consol.), which are the FTE levels for Peoples Gas and North Shore provided in the Joint Applicants' responses to Staff data requests ENG 1.14 and ENG 1.20, respectively.

ICC Docket No. 14-0496
Joint Applicants' Response to
Staff Data Requests DGK 3.01-3.04
Dated: September 30, 2014

REQUEST NO. DGK 3.01:

(Employee Levels) Referring to the Joint Applicants' response to Staff data request ENG 1.23, does "for two years after the closing of the Transaction" mean that 1,953 full-time equivalent employees ("FTEs") is a constant or average FTE level over the two years? If not, please explain the meaning of the preceding quote?

RESPONSE:

No, it does not. As stated in the Joint Applicants' response to Staff data request ENG 3.04:

The full-time-equivalent employee (FTE) positions commitment provided in the Joint Applicants' Application and in Mr. Leverett's testimony, as stated in the Joint Applicants' response to Staff data request ENG 1.23, is a commitment to locate, at a minimum, an aggregate number of FTE positions in Illinois for two years after the closing of the Transaction. The 1,953 FTEs are a "floor-level" of FTEs below which the post-merger company, WEC Energy Group, will not allow its employment levels in Illinois to fall for a period of two years after the closing of the Transaction. The aggregate floor-level level of 1,953 FTEs to be located in Illinois, and the levels of FTEs listed for Peoples Gas, North Shore, and Integrys Business Support in the Joint Applicants' response to Staff data request ENG 1.23 from which that number was derived, are based on positions in place as of December 31, 2013. The 1,953 FTEs in this commitment do not represent an intended, forecasted, or targeted level of post-merger FTEs for WEC Energy Group in Illinois, nor do the underlying FTE levels listed for Peoples Gas, North Shore, and Integrys Business Support in the Joint Applicants' response to Staff data request ENG 1.23 from which that number was derived represent the Joint Applicants' intended, forecasted, or targeted levels of post-merger FTEs for those entities. For purposes of what levels of FTEs the Joint Applicants forecast and plan for there to be in place at Peoples Gas and North Shore in the years 2015 and 2016, the Joint Applicants adopt the levels of FTEs forecasted by Peoples Gas and North Shore in their pending rate cases (Docket Nos. 14-0224/14-0225 consol.), which are the FTE levels for Peoples Gas and North Shore provided in the Joint Applicants' responses to Staff data requests ENG 1.14 and ENG 1.20, respectively.

ICC Docket No. 14-0496
Joint Applicants' Response to
Staff Data Requests DGK 3.01-3.04
Dated: September 30, 2014

REQUEST NO. DGK 3.02:

(Employee Levels) Referring to the Joint Applicants' response to Staff data request ENG 1.23, do the 1,953 FTE positions proposed by Mr. Leverett represent a lower cost for North Shore and Peoples Gas compared to the lower FTE positions forecasted for 2015 and 2016 in the Joint Applicants' responses to Staff data requests ENG 1.14 and ENG 1.20? If not, please explain why not.

RESPONSE:

[Note: This data request mistakenly states that the FTE positions forecasted for 2015 and 2016 in the Joint Applicants' responses to Staff data requests ENG 1.14 and ENG 1.20 are "lower" than the FTE levels presented in the Joint Applicants' response to Staff data request ENG 1.23. The Joint Applicants will respond to this data request assuming that it was intended to ask for a comparison to the "higher" FTE positions forecasted for 2015 and 2016 in the Joint Applicants' responses to Staff data requests ENG 1.14 and ENG 1.20.]

No, they do not, for the reasons stated in the Joint Applicants' responses to Staff data requests ENG 3.04 and DGK 3.01.

ICC Docket No. 14-0496
Joint Applicants' Response to
Staff Data Requests DGK 3.01-3.04
Dated: September 30, 2014

REQUEST NO. DGK 3.03:

(Employee Levels) Please quantify the cost associated with the differences in FTE levels between the Joint Applicants' response to Staff data request ENG 1.23 and the Joint Applicants' responses to Staff data requests ENG 1.14 and 1.20.

RESPONSE:

The Joint Applicants state that they cannot quantify the costs associated with the different FTE levels indicated because, as provided in their responses to Staff data requests ENG 3.04 and DGK 3.01, the forecasted levels of FTEs for Peoples Gas and North Shore for the years 2015 and 2016 are the higher levels provided in the Joint Applicants' responses to Staff data requests ENG 1.14 and 1.20. Any calculation of the costs associated with reduced FTEs would require an identification of the positions represented by those FTEs to be eliminated, and the Joint Applicants have no present plans to eliminate or reduce FTE positions forecasted for Peoples Gas and North Shore in 2015 and 2016 as provided in the Joint Applicants' responses to Staff data requests ENG 1.14 and 1.20, respectively.

ICC Docket No. 14-0496
Joint Applicants' Response to
Illinois Attorney General's Third Set of Data Requests AG 3.01-3.06
Dated: October 7, 2014

REQUEST NO. AG 3.02:

Referring to the response to Staff Data Request ENG 1.23, please provide any study, analysis, or other documentation establishing that the indicated headcounts for Peoples Gas and North Shore are sufficient to provide safe and reliable gas distribution service.

RESPONSE:

The FTE levels for Peoples Gas and North Shore stated in the Joint Applicants' response to Staff data request 1.23 do not represent the post-merger "headcounts" forecasted for Peoples Gas and North Shore. As explained in the Joint Applicants' responses to Staff data requests ENG 3.04 and DGK 3.01, for purposes of what levels of FTEs the Joint Applicants forecast and plan for there to be in place at Peoples Gas and North Shore in the years 2015 and 2016, the Joint Applicants adopt the levels of FTEs forecasted by Peoples Gas and North Shore in their pending rate cases (Docket Nos. 14-0224/14-0225 consol.), which are the FTE levels for Peoples Gas and North Shore provided in the Joint Applicants' responses to Staff data requests ENG 1.14 and ENG 1.20, respectively. The Joint Applicants state that these levels of FTEs for Peoples Gas and North Shore will be sufficient to provide safe and reliable gas distribution service for the customers of those utilities for the reasons provided in the record of Docket Nos. 14-0224/14-0225 consol.

ICC Docket No. 14-0496
Joint Applicants' Response to
Illinois Attorney General's Third Set of Data Requests AG 3.01-3.06
Dated: October 7, 2014

REQUEST NO. AG 3.03:

Referring to the response to Staff Data Request ENG 1.23, please explain why the indicated headcounts for Peoples Gas and North Shore are different from the projected test year headcounts in Docket Nos. 14-0224/0225.

RESPONSE:

Please see the Joint Applicants' responses to Staff data requests ENG 3.04 and DGK 3.01.

ICC Docket No. 14-0496
Joint Applicants' Response to
Illinois Attorney General's Fourth Set of Data Requests AG 5.01- 5.17
Dated: October 24, 2014

REQUEST NO. AG 5.01:

Referring to the response to AG 3.02, please provide the requested study, or state that no such study exists.

RESPONSE:

The Joint Applicants object to this data request as being vague, overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence because it is based on a misrepresentation of what the Joint Applicants stated in their response to Staff data request ENG 1.23, and because neither AG 3.02 nor the present data request specify a time period in which the FTE levels in question are to have been analyzed or studied as being sufficient to provide safe and reliable gas distribution service.

Notwithstanding the foregoing objections and the Joint Applicants' General Objections, the Joint Applicants respond as follows:

As explained in the Joint Applicants' response to AG data request AG 3.02 and Staff data requests ENG 3.04 and DGK 3.01, the FTE levels of Peoples Gas and North Shore set forth in the Joint Applicants' response to Staff data request ENG 1.23 were not provided as and are not intended, forecasted, or targeted headcount levels for Peoples Gas and North Shore for the period of time after the closing of the Transaction. Nor do the FTE levels for Peoples Gas and North Shore set forth in the Joint Applicants' response to Staff data request ENG 1.23, to which this question and AG data request AG 3.02 are addressed, represent a specific headcount commitment for those companies by the Joint Applicants. As explained in the Joint Applicants' responses to Staff data requests ENG 1.23, ENG 3.04, and DGK 3.01, there is only a commitment that the WEC Energy Group will locate, at a minimum, an aggregate number of FTE positions (1,953 FTEs) in Illinois for two years after the closing of the Transaction. As explained in Joint Applicants' responses to Staff data requests ENG 3.04, and DGK 3.01, the numbers of FTE positions of the specific companies listed in the response to Staff data request ENG 1.23 from which the aggregate floor-level commitment of 1,953 FTE positions in Illinois was derived were the positions in place as of December 31, 2013. Accordingly, while the Joint Applicants believe that the number of FTE positions listed in their response to Staff data request ENG 1.23 represented a sufficient number of FTEs for Peoples Gas and North Shore to provide safe and reliable gas distribution service at that time (*i.e.*, as of December 31, 2013), there was no study, analysis or other documentation reviewed in the context of the Reorganization with respect to this point because the specific company headcounts for that time period are not relevant to the Reorganization and, as stated above, are not intended, forecasted, or targeted headcount levels for Peoples Gas and North Shore for the period of time after the closing of the Transaction.

For purposes of what levels of FTEs the Joint Applicants forecast and plan for there to be in place at Peoples Gas and North Shore in the years 2015 and 2016, the Joint Applicants adopt the levels of FTEs forecasted by Peoples Gas and North Shore in their pending rate cases (Docket Nos. 14-0224/14-0225 consol.), which are the FTE levels for Peoples Gas and North Shore provided in the Joint Applicants' responses to Staff data requests ENG 1.14 and ENG 1.20, respectively (1,356.0 FTEs for Peoples Gas and 177.7 FTEs for North Shore). With respect to those FTE levels being sufficient to provide safe and reliable gas distribution service for Peoples Gas and North Shore during the 2015 and 2016 time periods, the Joint Applicants have relied on the analysis and documentation in the record on this issue in Docket Nos. 14-0224/14-0225 consol.

ICC Docket No. 14-0496
Joint Applicants' Response to
Illinois Attorney General's Fourth Set of Data Requests AG 5.01- 5.17
Dated: October 24, 2014

REQUEST NO. AG 5.02:

Referring to the response to AG 3.02, do the Joint Applicants believe that the headcounts for Peoples Gas and North Shore indicated in the response to Staff Data Request ENG 1.23 are sufficient to provide safe and reliable gas distribution service in 2015 and subsequent years? If the response is affirmative, please state the basis for such belief if there is no study supporting the adequacy of the indicated headcounts.

RESPONSE:

The Joint Applicants object to this data request as being unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence because it is based on a misrepresentation of what the Joint Applicants stated in their response to Staff data request ENG 1.23.

Notwithstanding the foregoing objections and the Joint Applicants' General Objections, the Joint Applicants respond as follows:

See Joint Applicants' response to AG data request AG 5.01. As explained in the Joint Applicants' responses to AG data request AG 3.02 and Staff data requests ENG 3.04 and DGK 3.01, the FTE levels of Peoples Gas and North Shore set forth in the Joint Applicants' response to Staff data request ENG 1.23 were not provided as and are not intended, forecasted, or targeted headcount levels for Peoples Gas and North Shore for the period of time after the closing of the Transaction (*i.e.*, 2015 and 2016).

ICC Docket No. 14-0496
Joint Applicants' Response to
Illinois Attorney General's Fourth Set of Data Requests AG 5.01- 5.17
Dated: October 24, 2014

REQUEST NO. AG 5.03:

If the Joint Applicants believe that the headcounts for Peoples Gas and North Shore indicated in the response to Staff Data Request ENG 1.23 are sufficient to provide safe and reliable gas distribution service in 2015, please explain why the forecasted headcounts in Docket Nos. 14-0224/14-0225 (consol.) are greater than the headcounts required to provide safe and reliable gas distribution service.

RESPONSE:

The Joint Applicants object to this data request as being unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence because it is based on a misrepresentation of what the Joint Applicants stated in their response to Staff data request ENG 1.23.

Notwithstanding the foregoing objections and the Joint Applicants' General Objections, the Joint Applicants respond as follows:

See the Joint Applicants' responses to Staff data requests ENG 3.04 and DGK 3.01 and AG data requests AG 5.01 and AG 5.02.

ICC Docket No. 14-0496
Joint Applicants' Response to
City of Chicago's Data Requests 5.01-5.07
Dated: October 2, 2014

REQUEST NO. 5.02:

How do the Joint Applicants' expectations provided in response to City Data Request 5.1 affect the Joint Applicants commitment to retain 1,953 FTEs? That is, does the 1,953 figure include the onboarding of graduates from the two training programs? If so, how many vacancies are expected each year for PGL and for NS, both assuming that the proposed reorganization is approved and if not?

RESPONSE:

For the reasons stated in the Joint Applicants' responses to Staff data requests ENG 3.04 and DGK 3.01, the Joint Applicants' commitment to maintain at least 1,953 FTE employee positions in the State of Illinois for at least two years after the Reorganization closes is not related either to the Gas Companies' internal training programs or to any expectations concerning the gas workers degreed training program at the Dawson Technical Institute of Chicago.